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February 8, 2012

Jocelyn G. Boyd, Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

Re: Piedmont Natural Gas Company, Inc., Application for approval of a Minor Change to Service Regulations – Residential Service – Value Rate
Docket No: 2012-59-G

Dear Ms. Boyd:

The Office of Regulatory Staff ("ORS") has reviewed the above referenced request filed by Piedmont Natural Gas Company, Inc. ("Piedmont" or "the Company" or "PNG") on February 3, 2012.

The Company is proposing a minor change in its South Carolina Service Regulations. This change will clarify that customers who install tankless natural gas water heaters will automatically qualify as Value Rate customers without regard to such customer's usage parameters. This issue arose from a complaint filed by a PNG customer. ORS facilitated a settlement agreement between the customer and the Company which was filed with the Commission on February 1, 2012 in Docket No. 2012-19-G.

We reviewed the proposed changes and found they are consistent with the terms of the above referenced Settlement Agreement. We have no objection to Piedmont's request for approval of the proposed changes, with the minor revision of the date issued on the bottom of page 11 of 16 from February 1, 2012 to February 3, 2012.

Thank you for the opportunity to provide our comments in this matter.

Sincerely,

John W. Flitter

JWF/swh

cc: Dan F. Arnett
Nanette S. Edwards, Esquire
Courtney Edwards, Esquire
David Carpenter
Pia Powers
James H. Jeffries, IV, Esquire
Scott M. Tyler, Esquire